

## **CITY COUNCIL MINUTES**

**April 29, 2013**

The Honorable Council of the City of Evansville met on special session at 5:30 p.m. on Monday, April 29, 2013 in the City Council Chambers, Room 301 Civic Center Complex, Evansville, Indiana, with President Connie Robinson presiding. The following business was conducted.

**These minutes are not intended to be a verbatim transcript. Audiotapes of this meeting are on file in the City Clerk's Office.**

### **ROLL CALL:**

**Present:** McGinn, Mosby, Brinkerhoff-Riley, Friend, Lindsey, Adams, O'Daniel, Weaver, Robinson.

There being nine (9) members present and zero (0) members absent and nine (9) members representing a quorum, I hereby declare this session of the Common Council officially open.

### **PLEDGE OF ALLEGIANCE**

This evening the pledge of allegiance is led by Mayor Winnecke.

Fellow Councilmen and those in the audience, welcome to the April 29, 2013 special meeting of the Common Council.

### **ADULT ADVISORY COMMITTEE:**

Charlene Breaker

**President Robinson:** Tonight we have no Teen Advisory but we have an Adult Advisory. Would you state your name please.

**Charlene Braker:** Charlene Braker

**President Robinson:** Thank you. Charlene is usually here at every Council meeting and she didn't have a seat tonight so I told her that she could shadow me. I want her as my shadow tonight.

### **COUNCIL ATTORNEY**

This evening Scott Danks is City Council Attorney and also he's a new father so congratulations Scott.

*Applause*

### **SERGEANT AT ARMS**

This evening Officer Ward is Sergeant at Arms.

### **READING AND AMENDMENT OF MINUTES**

Is there a motion to approve the minutes of the April 22, 2013 meeting of the Common Council as written?

Councilwoman Brinkerhoff-Riley moved and Councilman O'Daniel seconded the motion to approve the minutes of the regular meeting of the Common Council held April 22, 2013 as written. Voice vote. So ordered.

## **REPORTS AND COMMUNICATIONS**

### **ON YOUR DESK THIS EVENING:**

- \*City Council Meeting Agenda for April 29, 2013.
- \*Committee Meeting Schedule.
- \*City Council Meeting Minutes dated April 22, 2013.
- \*Letter from the Vanderburgh Community Foundation, Scott Wylie, Director

**President Robinson:** Can I have a motion to receive, file and make these reports and communications a part of the minutes of the meeting?

Councilman Friend moved and Councilwoman Mosby seconded the motion to receive, file and make these reports and communications a part of the minutes of the meeting. Voice vote. So ordered.

## **NEW BUSINESS**

**President Robinson:** This is what everyone is here for tonight. We are going to have a discussion of Indiana University Medical School and of proposed new downtown hotel.

Let me give you the perimeters tonight. First of all, we'll have the Mayor and his team come up and give a presentation. There will be no questions or comments until after their presentation is completed, then at that time I will open the floor up to all Councilmembers for questions and comments. After the questions and comments are completed with the Councilmembers, then I will open it up for participation from the audience. So at this time, Mayor it is your show.

**Mayor Winnecke:** Thank you Madam President and members of the Council. Thanks for the opportunity to come here tonight.

Really, the idea...Mr. Hooper from DMD is passing out a copy of the PowerPoint that we'll be going through. Basically, this meeting was brought about as a result of a discussion with Council President Robinson and Councilmember McGinn a couple of weeks ago. In updating them on the status of the hotel project, they asked questions relating to the proposed IU Med Center and the three of us thought it would be a good idea if we brought our team to a special meeting of this body to answer as many questions as we can on the status of each of those projects.

So we bring you a status report on the convention hotel negotiations. We'll talk about the scope of the current project as it stands today, the current costs estimates and talk about our financial capability to participate in the convention hotel as well as the...as well as other projects including the proposed IU Med Center.

With me tonight, and part of the presentation, Rob Hunden for Hunden Strategic Partners, whom many of you know; Rick Huffman who is the CEO of HCW out of Branson, our developer for

the hotel project; Bob Allen from HCW. Bob won't be presenting but he is Rick's right-hand man, and Bob Swintz. Bob is from the London Witte Group and acts as the City's financial advisor on this project.

So as most of you know, the Redevelopment Commission approved a pre-development agreement with HCW a few weeks ago. That deal outlines the major points of the framework of the project. The original HCW proposal, which was negotiated, has been revised to reflect ongoing and changing perimeters within our discussions. We've had successful meetings I feel with many members of the City Council, including Council President Robinson, with local labor leaders as well as MWBE leaders.

We are currently preparing a final development agreement. We have until the end of June to do that. The work that is underway now by HCW will provide data that will be part of the ongoing negotiations in the next several weeks.

What happens next, the project will include improved project manage...well also part of this hotel project will have improved project management, will have regular reporting to the ERC and to the City Council through an owner's rep on expenses paid and handled as a result of this project.

I'd like to talk a little bit about the timeline of this project. Ideally, the project will complete the negotiations on the development agreement sometime by the end of June. We would come back before this body sometime after that for funding approval and then assuming that would happen, we could break ground at a late summer to early fall timeframe and we can assume about an 18 month construction period.

Several members of the community have asked about whether we should proceed with this project or should we wait and move forward with the IU Med Center. Let me give you a little bit of update on where that stands and put that in context for you. The General Assembly in its final budget on Saturday, last Friday, early Saturday morning, approved a \$2,000,000 allocation to Indiana University for the early stage planning for that but the rest of the budget for that won't be requested from the Indiana Legislature until 2015. So while there is planning money allocated now, no substantive construction will begin until at least 2015. That is when Indiana University would go to the legislature and ask for the majority of the funding.

What's happening now, there are three groups working. There is an academic group consisting of folks from Indiana University, the University of Evansville, the University of Southern Indiana and Ivy Tech. Those four institutions are working on determining what kind of academic collaborations they could work with at a medical education facility.

There is another group of medical professionals from the two Evansville hospitals, the Jasper hospital and the Owensboro hospital, determining what kind of professional collaborations they could develop a new four-year medical facility such as this, as in developing robust residency programs that would greatly benefit not only Evansville but also our entire region. Evansville, like many cities across the county, is starting to realize the shortage of medical professionals, including doctors and we know from the research that 70% of doctors remain in the communities

in which they do their training. So it's imperative upon us to project, to land it here so we can create more jobs and keep more medical professionals in our community.

So we have the academic side, we have the health care professionals and we have another group that is working on site selection and funding. Those three groups will work on parallel paths and hopefully get done sometime in the early fall timeframe.

So that's where the project stands. We think that the City certainly has the financial capacity to move forward with not only a convention hotel but also the medical school facility and I think the presentation tonight will convince you that one, we do need to pursue the convention hotel; we do not need to wait on that. In fact, if we play our cards right, I can see that the new convention hotel would open in downtown Evansville about the time we are before the Indiana Legislature seeking a large chunk of funding for the med school here and it could be a great enticement to land the medical school here in downtown Evansville.

So with that in mind, I'd like to turn it over to Rob Hunden of Hunden Strategic Partners to walk through the need of the market for Evansville. Rob?

**Rob Hunden:** Good evening. I'm going to take you through the next portion of the presentation. The first thing I wanted to cover...let me make sure I've got our technology here...okay, perfect. As you know, our firm was retained last spring, throughout the spring, to conduct a feasibility study and answer a lot of questions related to the idea of a downtown convention headquarters hotel. The purpose for that analysis was to answer the question: is there really a need for a downtown hotel, convention hotel, next to the Centre as well as the Ford Center arena. If so, what are the options? How does Evansville stack up as a meetings and event destination? What is recommended? There were a lot of other questions and answers in that 200 plus-page document but we won't go into all those tonight, spare you all.

So what are the results of the analysis? The Centre, the convention center, has not been a viable conferencing convention option since the Executive Inn's decline and eventual demolition and that was deteriorating over time but it was sized, a very large size hotel. The Centre itself was sized to matchup with that number of hotel rooms.

Now at the Centre, performing arts is still one bright spot but the County-owned facility does lose money and it does not generate the impact it should from people coming from outside Evansville to Evansville and spending their dollars. So this remains a missed opportunity for the community. Looking at their numbers, the best estimate for the number of room-nights generated per year by that facility is about 2500, which is about 10% of the 25,000 room-night it should be generating, or more, on annual basis.

The Ford Center has helped downtown as I think most people have noticed. It probably generated actually more room-nights. We did a separate analysis subsequently of the Ford Center and it looks like it actually generates more room-nights than the Convention Center, which is not the way that it's normally supposed to be. A hotel would actually make both of those facilities more valuable and more impactful for the community.

The local hotel market is not something that would support currently what meeting planners look for. The existing full-service product is older and deteriorating and it has cycled down over time and the newer product is limited service in nature and is not located near the convention center and meeting planners require and have plenty of options for locations where the hotel and the meeting facility are within walking distance of each other so for a community development project, it makes sense to have the kind of hotel next to the Centre that your meeting planners want. Currently those limited-service hotels in the other parts of town, in those clusters, are not what meeting planners are looking for so as a result, you're not really getting the action in terms of the meetings business that you should have.

The development of a convention hotel is...I want to make sure I'm not skipping anything here. Okay, great. The development of a convention hotel is an economic development project for Evansville, for downtown, and for the region, and when we say an economic development project, we specialize in these public/private partnerships and advising communities on how to kind of create these catalytic projects. If this was a market-based deal, then the market would have come in and built something but they haven't built anything. It's not the strongest hotel market in the world. You see you've got casino hotels downtown but they're not within easy walking distance of the Centre and they do not block their rooms for Bob Warren, who is the head of the CVB. When he's trying to sell the community and the Centre, they will not give him all the rooms that he is looking for so that's a totally different deal down the street. So you really do need something there but there is a feasibility gap that exists.

The market might justify a limited service, 100-120 room hotel downtown, maybe 150 rooms but in order to induce those groups that come to Evansville, you've got to have at least 200-250 rooms to really get people to even take you seriously. So the more rooms you build, obviously, you're going to start getting into a feasibility gap and that's what we have here.

In about half of the cities with such convention hotels that have been developed, the economics drove the city to actually own those hotels outright by issuing bonds so cities like Denver and Dallas and Chicago and many smaller communities as well. Omaha did a 400-room hotel. They were all 100% financed with tax-exempt bonds. Cities in Indiana have opted not to go that route. They have opted to have the developer still be at risk and the city or the community puts their money in up front and that's kind of the direction, in fact that is the direction that the current deal is going towards.

Kind of getting back to the room-night package, I think people say, "Hey, there are a lot of rooms downtown in the two casino hotels", and those certainly operate on a different business model than a standard hotel. Those hotels are built primarily for their gaming guests and so again, like I mentioned, if you're trying to bring a big group to town, during the week they may give you a larger block, as you can see in this graph. They may give you up to 100 rooms between the two hotels but that certainly is not sufficient to get most groups to consider your convention center, and it's, again, a distance issue. You've got to shuttle people because it's not always easy walking distance if the weather is not perfect. During the weekends, it's almost impossible to get any sort of commitment out of those hotels. And that's fine, that's their business. That's the business they're in but it's not doing the Centre any good.

So ultimately, you want to have a block of about 450 committable rooms near the Centre that you can market and sell and so that suggests a total number of hotel rooms of about 600 overtime. Obviously we can't afford or wouldn't want to do that now because that would be too much for the market to bear so the goal then was to build as large a hotel as possible without oversaturating the market and dragging down market rates, which we've seen happen in other communities. Louisville had a very large hotel that was so big and it cycled down over time that it actually ended up dragging the whole downtown with it. You don't want to do that here and you also don't want to overburden the business plan, the hotel, with so much cost that it puts the public sector or the owner in an unsustainable position.

Again, I talked about how the private deal would provide probably about 150 rooms and that's not enough to help the Centre downtown really do what they need to do in the meetings business. So the question is what's the optimal size? The optimal size that we came up with was somewhere between 240 and 270 rooms and the current proposal is about 253 rooms.

One of the questions that's often asked, and we'll get to this in a little bit, it must have its own function space in order to be as feasible as it can be. Rooms-only hotels that are attached to convention centers don't work for a number of business reasons and we can get into that if folks have questions but we know, again, as an example in Ft. Wayne, they tried that with their Hilton and it didn't work.

After our p-process was completed, I think everyone was pretty pleased that HCW not only proposed a hotel as a project but a mixed-use transformative and catalytic project for downtown that really sought to activate the streets, activate downtown, and fill in a couple of gaps in terms of the residential component as well as additional restaurants, street life and the hotel that was the primary priority.

Since the proposal, a number of changes have occurred in the product. The City said, "Hey, we've got some questions and concerns and can we go this direction? Can we get more for less? Can we make sure that you're taking all the risk and our risk is limited from Day-1", and so the deal has changed a little bit in the City's favor. The hotel went from 232 rooms up to 253 rooms and the restaurant space was adjusted, shifted and improved really to reduce the amount of function space in the hotel so it's as much as the hotel needs but it won't unnecessarily compete with the Centre.

All the other elements have been kind of modified and moved around a little bit to maximize...maximize views, limit risk, and overall enhance the package and I think Rick from HCW will be able to kind of explain that better with some pictures.

I'll get into some frequently asked questions and again, I can expand on these answers later but I'll just stick to the script for now.

*Can we build it smaller and expand later?*

Well you could but that would be really expensive now and not do you any good now and it may preclude you from actually expanding it later because you would have to invest in all the infrastructure for a larger hotel, which is costly, but then what actually generates revenue for you

are the rooms and you'd have less of those. So that wouldn't really do you any good and ultimately you're trying to do this as an economic development project to get that Centre operating functionally again and if you only do 150 or 200 rooms you're going to have less of an opportunity to attract those groups than if you build a larger hotel. The small hotel, yes it's cheaper but it doesn't solve the problem.

*Are there concerns about adding apartments and restaurants downtown? Will that hurt the existing market?*

What we've seen, certainly when it comes to restaurants, is that more is actually more, that what you're doing is creating a critical mass, you're creating a node of activity. Right now, your nodes of restaurants are by the mall and in other areas. Downtown is not known as a cluster of restaurants to go to and so instead of people saying, "Hey let's go downtown to eat", they say, "Geez what's downtown to go eat?" We have a couple of options so if you don't like those two, you won't come downtown. If you have five or six or seven options, you'll say, "Hey let's just go downtown and go from there". The number of communities that are much smaller than Evansville have much more robust downtown restaurant scenes than you all do. Valparaiso is a great example of where they probably have 15 full-service restaurants within a block of the county square and they're just doing great and there a 30,000-person community. So we're not concerned about it. Everything we've seen in economic development leads us to believe that more is more with restaurants. It actually helps the existing restaurants and retail.

Then from the residential standpoint, this is an HCW market deal, 100%. They are not asking for any subsidy there at all. They have done their homework and believe in this market, and he can expand on that, but they believe that the market is very strong for downtown residential.

*If the City is going to put in half the money for this project why don't they just own it and cut out the middleman?*

As I mentioned, about half of the communities around the country that have these kinds of projects have actually gone that direction. They have issued the bonds and taken all the risks. Unfortunately that means you take all the risks. Myrtle Beach, St. Louis and others have come close to getting into trouble. You don't really want to get into trouble when you've issued all those bonds. So in this instance, you know, certainly there are pros and cons to these approaches but in this instance, HCW has all the operational and financial risk and the City's investment and risk are known and limited right up front and the process of the deal development will continue to put those safeguards on.

*How is the hotel project different from the arena?*

Well arenas are also economic development projects and they are typically owned 100% by the public sector. Hotels are generally private enterprises and certainly will be in this instance where it's a public/private partnership.

*I heard that 2/3 of the business at this hotel will shift from other hotels.*

Well any time you open up a new hotel you're going to have people shifting to a newer hotel and especially if it's a DoubleTree by Hilton, you're going to have people associated with the Hilton Affinity Club; you know they're going to want to go to that hotel. The great news about this, and the whole purpose for this hotel, is to actually make the pie bigger and grow the pie, bringing

more business to town. So unlike most limited-service hotels that when they get built they just redistribute the pie, this actually will grow it a little bit and we think about a third of their room-nights will be newly generated by either sports groups or convention groups or conference groups that will be coming here that aren't today.

And so certainly the lesser, older hotels will have to fight harder. Everybody is going to have to compete but this will make the pie bigger.

And the last FAQ is:

*The proposal from 2011 was going to cost the public sector \$12,000,000, right?*

We had the opportunity to look at that proposal and I can tell you that the previous proposal was never fully negotiated and did not include many of the costs. These were not necessarily publicized at that time but did not include many of the costs that would have been necessary. Seventeen and a half million dollars in infrastructure, connectors, connector building and Centre improvements were not included. The City was proposed to be on the hook for all the cost overruns on the project and with an unrealistically low budget. The developer was not able to guarantee those overruns or provide a letter of credit that would have protected themselves or the City against those overruns. It did not include the cost of a 10-year, 100% property tax abatement and it was a smaller hotel by a little over 10%, about 30 rooms smaller and less function space. It did not have all the amenities that this hotel will have.

So ultimately, the old deal, as we looked at it, may have cost actually more than this deal but for less room.

Hope I didn't take up too much of your time and provided some insight into how we got to where we are today. And next is Rick Huffman.

**Rick Huffman:** Hi, my name is Rick Huffman and I'm the CEO and President of HCW Development Company and HCW Development Company is located in Branson, Missouri, Wichita, Kansas and Phoenix, Arizona. I'm very happy to be here today to be able to talk about the Evansville project with you.

First off, who is HCW? Let me find a red button here...there we go. We are a development company that is about 23, 24 years old. We've been developing projects with previous partners for up to almost 36, 37 years now. Our company has done over...there's a bunch of projects, they're too hard to read up there but we've done over a billion dollars in development, all in the United States from Texas to Kansas, Arizona, St. Louis, a little bit all over the Midwest and are continuing to do that. We are a mixed-use development company. We do apartments, hotels, shopping centers generally located in apartments and hotels.

One of the projects that a lot of you in the Midwest may be familiar with is the Branson Landing project. That's up on the slide right now. That project was a public/private partnership that was done with the City of Branson. Small market, Branson at that time had 10,000 living in it. Today it's got about 13,000 but it has eight million visitors a year that comes to it. That project was funded...about \$200,000,000 by the City through TIF bonds...through State TIF and a local TIF and it was also financed by \$200,000,000 of developer funds. That particular project, very,



very large project, very successful, won the award in 2007 for the best project in the world in design by ICSC and that's the trophy on the right and that's our little commercial on that one. There are two, Hilton Hotels that's in the project and there is a Hilton Convention Center in the project and that's the hotel there. The City owns the convention center and it is 225,000 square feet. The hotel is about 300 keys. Very nice hotel, it does very well for that marketplace. It was...it had some City involvement subsidy, obviously the city owns the land and the infrastructure, provided some of the financing and did the conference center on that. That conference center right there was...CS&L did the study on it when it was built. It has exceeded the numbers every year since it opened in 2007. That was in the market study for bringing people to the City of Branson for conventions so it's been very successful for the City. It has filled a lot of...there are only 300 rooms there so it's spilled a lot of hotel rooms over into the other 25,000 hotel rooms that are in that city.

The next...excuse me, I've got this summertime or springtime stuff going on...the next one is in Manhattan, Kansas and I'm showing you some public/private stuff. This one was completed a little over a year ago, a year and half ago now I guess. Fort Riley is just south of it. Kansas State University is there. The City wanted to have a conference center connected to a hotel. The City provided \$10,000,000...\$9.5 million dollars of bonds for the project plus the land. The project has been...for the hotel, it's been a good project. For the conference center it's been a barnburner, it's just been off the charts picking up all the western Kansas business that had no place to have their meetings and is just performing fantastic.

One of the things we do in the conference center is we build...one in Branson, one here...you can see just from the lighting in the ceiling in that particular center we put color changing LED lights that changes with themes of music or however you want it to change, to be different than the typical conference center. We wanted it to be something that could attract new business that they haven't seen before. Obviously, you see purple up there; that's Kansas State University's color.

For this project in Evansville, as Rob indicted, we've gone back and forth over the last...gosh, almost a year now...when we were chosen in January to go forward with the project, we ended up with about 253 rooms in the hotel and I want to talk about the economic outlook because 253 rooms in a full-service business means about 253 employees so it's about one to one. You're operating 24 hours a day, seven days a week on a full-service hotel. The conference center that we're...the meeting space that Rob talked about is about 6,400 square feet that would be in the building and that creates jobs then for the conference part of the business. And then with the retail, or I'm going to call it retail/restaurant space, across the street and in the hotel and beneath the apartments, there is about 26,000 square feet there that it's got on the screen 50 to 80 jobs and I can tell you from past experience in retail and restaurants, that's probably more like 150 jobs.

We really believe that because of the way the project has currently developed that it will create more jobs and a bigger economic input than what Rob actually had in the report, so several hundred million over several years.

The HCW has been working locally here over the last several weeks on the project. As you know, the predevelopment agreement was executed a few weeks ago and since that period of time we've met with local labor, we've met with MBE, WBE. We've reached out; this project will be done under a PLA as agreed to with the City and we've reached out and already started those meetings. We've actually issued RFPs to a lot of the local businesses in town for things such as the ALTA survey, the geotechnical report, the Phase I report, a lot of the things that have to be done on the project before we can really tie the costs down.

All of those contracts are being awarded to local businesses. A couple of them have actually already been awarded and both of those were awarded. One had WBE participation and the other had MBE participation so we're very cognizant of that and we want to make sure that when we come into a community that we pay particular attention to the local jobs and the local labor in that area.

Moving on here...just talked about all that...meetings that are on there so skip through that. Let's talk about the brand for a second. We looked at all different types of brands for the project. We wanted it to be a full-service brand, number one. It has to be when you're a convention host hotel. The selection we came up with is DoubleTree at this time by Hilton. Hilton, everybody knows who they are and we narrowed it down to a Marriot product or a Hilton product and Hilton and Marriot, you can toss a ball in the air and they'll both hit the ground at about the same time. They're both almost identical as far as their loyalty programs and Hilton and Marriot are the top two in the United States for reservation services. They are the top two also in doing convention business. So we went with DoubleTree, have selected them at this time to be the brand on the hotel to make sure that we get the Hilton customer in here.

Of the Hilton customer, the next slide shows that last year the performance was 73.7% nationwide on occupancy, \$121.00 average rate with a RevPar of 89.74, \$1.5 billion in revenue, in food and beverage, \$334,000,000, \$2.1 billion total revenue. Hilton Honors contributors for 37.5%. That's a big, big number so the people that have a rewards card that travel use them. They're very loyal to their brand so they have a Marriot or a Hilton or a Sheraton or whatever it might be and they're very loyal to that. And Hilton happens to have actually right now running about the best in the country on that.

DoubleTree...these are just some pictures of some new DoubleTree products that have either been remodeled or new builds by Hilton located all over the world. You'll notice just when you're flipping through these pictures that they are very...pretty much contemporary in nature now in their designs. Very clean lines, very efficient, very high-tech. One of the DoubleTrees that is very close to...not very close to you guys, it still is a ways up in Chicago is the Wit. A lot of people don't even know that it is a DoubleTree but the Wit Hotel in downtown Chicago, which is a fantastic hotel, built about six, seven years ago is a DoubleTree by Hilton.

We have a lot of experience with Hilton. We have several Hilton full-service, limited-service, we have Hamptons, a little bit of everything, and they've done very well, they're very good to work with and they have a very good national sales group. In this case here, we would work very closely with the local CVBC, which we've already met with, and the Chamber and obviously working with other hotels to spill the overflow of the business into those hotels. Every

place that we have built a conference center hotel, or operated a conference center hotel, we have noticed that we do spill a lot of business over into the other hotels from the conference center business and it's usually weekday business on that.

The next slide that we have up there is a layout that we've done so far on the project. And I'm sorry to say I apologize, it's a little hard to see. You can look in your packets on there. But as you can see on Walnut Street here, in the RFP the City had submitted...put out, they would like to have a building here that was retail to screen the back loading dock area of the Ford Center so we designed in this area here that would be two-stories in height, that would have retail restaurants energized on the bottom floor and redoing the streetscape along here with new streetlights and music in the street poles, lots of trees, vegetation, making this a very active area between here and then what would be the hotel tower right here on Sixth Street.

On this site here we're showing is the residential tower and it's about 80 apartments, 11 stories high, that have great views looking down towards the river. So this is the whole district. There is also then a heated connection, a corridor that would go into the retail area, cross over to the conference center and into the Ford Center across the street.

Then on the ground floor, this is a little bit better description, you can see how it lays out. Over on this corner here, because this is what we feel is the "active corner", over here with the library, City Hall, the conference center, the Ford Center all congregating in this area. We put the restaurant in that corner. We had this discussion during the period of several meetings that the restaurant needed to be a good restaurant, an important restaurant and we...a lot of hotels when you travel, you know, I don't want to eat in a hotel restaurant and you usually go out and try to eat in other restaurants and that's great cause that generates business but we believe our philosophy that HCW uses, that there is no reason your hotel restaurant has to be a bad restaurant. And therefore, the one that you saw in Branson, that restaurant last year was voted the number one restaurant in all 300 Hiltons across the United States. It's a steakhouse. We remodeled it after we opened it because we made the mistake of not making it right the first time so we shut it down after one year and remodeled it. It now makes money and it's ranked the number one steakhouse also in southwest Missouri in that restaurant. So we like our food and we want to make sure that we have a good restaurant in this facility.

Then a two-story lobby guest area over here, over in this corner here some retail space, underneath the residential area some more retail or restaurant space under that. The ballroom over in this area here, 6,400 square feet. As you can see, it'll be divisible into different rooms. It would be very high-tech.

With all the technology it takes today to bring in a new client to your area, you've got to have for some corporations that require their own IT addresses into their own servers, we set up the capability to do that so that way they are protected from anybody being able to get into their stuff or hack while they're here at a convention. If you don't have that today, you're going to lose a lot of business. We will go very...we've set it up to go after the State Association business. One thing that we noticed is missing in Evansville right now is you're not on the rotation circuit in the State, with that State Association business and we feel by now having a host hotel with that that we can get you in that circuit and we can get that business along with a lot of SMERF business

and other regional conventions that we can get through the whole Midwest. That will spill over into the County Conference Center, those areas. This is large enough to where we can handle the small functions. Weddings are a huge thing. That Manhattan Center I showed you, it seems like up there we book four to five weddings every weekend this time of year. It's just amazing. And so by having a nice place to have that along with a nice hotel, a place for dinner, weddings, proms, all sorts of different events go on in these types of centers from a local prospective.

Then we have a swimming pool, which would be an indoor pool on this one and a parking garage with the courtyard area for outdoor functions, when the weather permits, spring and fall, (*Inaudible*), bistro tables set up...doing some really nice functions out there for the guests.

On the second floor, you'll notice that in the hotel tower there are lots of meeting rooms for break-out rooms for meetings, whether they be in the conference center or whether they be here. It is all connected and the meeting rooms are on that second floor.

Over in this area is a spa and it's not a very big spa but it is a spa with several treatment rooms and some wet saunas that will be there and then exercise and fitness right across the hall from it.

They will be connected, as you see with the door right here, right here to the residential tower so that way the tenants that live in the residential tower can, with their membership, use the hotel facilities, the fitness center, spa, things like that to give it that nice urban feel.

On the left is just another shot of a typical floor and then on the right you'll notice this is the roof of the building and on the top floor we have planned, which would look towards the river, a rooftop bar and that area would have outdoor seating on the rooftop with a six-foot glass fence to make sure nobody was throwing anything over the edge or falling off but unbelievable views up there on that and really nice place to be able to hold functions. The general public, you work downtown, you come up have a beverage after work and be on the roof along with the fire bar and some other things we have planned for up there on that floor. I think it will be a great attraction for downtown.

Here are some perspective views from the outside of the building on there. As you can see, the tower, the connecting walkway, over here is the conference center and far to your left over there is the parking garage.

On the opposite side is the residential tower here, the garage right here and the hotel again on this end, which would face along Sixth Street.

On the other, this building here would be a building. That building is not designed yet; that's just a placeholder but that's where the two-story retail space would go to block that view to the back of the Ford Center.

And that is pretty much it and I'm sure here in just a little bit we'll be able to...happy to answer any questions. Thank you.

**Bob Swintz:** Madam President, members of the Council, my name is Bob Swintz. I am with the London Witte Group, out of Indianapolis. We are financial advisors for the City and the Economic...Redevelopment Commission, excuse me.

My purpose in part of this transaction is to talk about the public funding piece of the project. The outline you see shows that we have a project that costs approximately 73 million dollars. The developer has the cost of approximately 35 and half million dollars with the public 37 and half million dollars.

You'll see that for the hotel itself, the cost is split 50/50. That's probably not what you have seen before. There were some changes that had been made but at this point in time, we look for that piece of the project to be funded 50/50 by the City and the developer. The balance of the project funded by the City is for more public and infrastructure type projects. It would include the connectors, the parking garage and other infrastructure related pieces of the project.

So today, or this evening, my focus would be to talk about how the city would pay for the 37 and a half million dollars. A couple of years ago I stood before the Council and talked about the arena project and the funding for that project. At that time, we developed a kind of a basket of revenues, sources of revenues that would be used to pay for that project either from a legal pledge standpoint or just from a cash flow standpoint, and while we are trying to build this model today and look at the funding for this project, we're looking at the same type of approach. There are revenues that we will; all of it to provide the best transaction economically for the City and to provide the greatest flexibility going forward for its current obligations, its current projects and future projects as well.

The funding contemplates a use a Food & Beverage Tax, which is statutorily committed to the arena and projects associated with the arena. It would use of Tax Increment Financing, it would include use of gaming revenues and ultimately with a backup pledge, and we'll talk about this more as we go along with the County Option Income Tax.

This slide here, we'll go into a little bit more detail on each of those and talk about their sources and obligations and how they will be used.

This is where I get a little too detailed probably but if we were to do a financing today to look at a bond issue, what we would try to do is craft the use of current resources on hand, so current cash balances and blend that with the use of debt. Today we've looked at some of the fund balances and we've looked at some of the revenues and we think there might be 11 and a half million dollars of funds on hand that we can use to offset the debt piece. In today's environment with capitalized interest and debt service reserved funds and such, we'd be looking at a bond issue of approximately 33 million dollars.

Specifically on the revenue side, as we talked about, Food & Beverage would be used. We have taken the Food & Beverage Tax that has been generated by the City and looked at a reasonable growth in those revenues over a period of time. We have used a 3% growth on those revenues. Historically it has probably been better than that. Those revenues can only be used for current

obligations that are outstanding for the center itself. The last payment of those occurs in 2018 and the balance of it used for the arena. So those revenues will be used entirely *TAPE CHANGE* for arena debt service and we think with the growth will pay nearly all of that debt service but any excess then, we'll have to work with legal counsel and such to see if any of those excess revenues can in fact be used for this project as we go along.

The other major source of revenue is the Tax Increment Financing. The downtown allocation area creates a substantial amount of tax increment. That area has been in place for a long period of time and has been very consistent and very healthy. We would contemplate using a portion of those revenues to pay debt service on these bonds as well as some of the debt service on the arena bonds.

One of the things we have discussed, and I think has come before you, is the current...hotel parcels are included in that downtown allocation area. In other communities we have looked in allocation areas where parcels have kind of...they are not serving the purpose that they once did. When this TIF area was established obviously the hotel was an ongoing concern. It created property taxes and provided for the...primarily, the base assessment for the allocation area but what we have seen over the last few years, as the hotel became less and less used and ultimately as that site was purchased by the City and demolished, there is really no assessed value there any longer.

Again, one thing we've incorporated in other projects around the State is really carving out parcels that we've said provide decrement. They are no longer supporting the TIF area and by carving those out, we not only put the original allocation area back to where it should have been in the first place, but now we are able to capture really all the of the property taxes generated from the project and recycle and help pay for the cost of the public side of the project.

The other funding source and it is a funding source that we don't create a legal pledge on, we didn't pledge it for the arena and I would not contemplate at this point in time that we would pledge it for the hotel project, would be the use of gaming revenues. You are probably aware that there three primary sources of revenues generated from gaming. There is a wagering tax that is paid to the State of Indiana, an admissions tax that is also paid to the State of Indiana. Those taxes are collected by the State and sent back to the City of Evansville for use in this budget. And there is also an agreement between the operator and the City to provide direct payments. Again, we do not pledge those revenues but we would contemplate using those in our cash flow model to assist in the payment of debt service on these bonds as well as the arena bonds going forward.

This last slide that's been up for a while, what we have tried to do is look at these three primary sources of revenue, the TIF, the gaming and the Food & Beverage. We looked at the gross amount of those revenues that have been historically generated, net from those obligations that the City currently has so those obligations could be from prior debt, they could be for capital projects that are included in the budget of the City now but come up with a net number that could be available going forward. In this case, we believe based on current collections that the TIF revenues would provide an extra 7.3 million dollars, the gaming revenues could be around 5 million and the Food & Beverage, and this is an average...again in 2018 that number is going to

jump significantly from where it is now but just average over the life of the proposed bonds for the hotel would be another 5 million. So with that we are looking at approximately 18 million dollars of net revenues after obligations. Compare that to potential debt service on the arena and the hotel of 10 million dollars. About 2 million of that would be for the hotel. The rest of it is associated with the area so we are trying to use the ongoing revenues to cover that 2 million dollars.

As I said...I'm not sure if I said it up front, we've created models. Much like the hotel itself is a work in progress, the financing is a work in progress. We are working with the Controller. We will work with County and State on these revenue sources. We don't contemplate being back here for any kind of approvals on financing for a couple of months so at that time we'll have more exact numbers. We think there might be other opportunities for revenues out there that could be in place. Some that you would have to approve, some that the developer might be able to use in his financing, but we hope in these next few months we can be a little more exact, put these things together in a more definite fashion as we contemplate going forward.

And with that I think...any questions.

**President Robinson:** At this time I'll open the floor up to any Councilmember with questions. Councilman McGinn.

**Councilman McGinn:** Thank you. Bob could you step back, yeah, I mean I've got some questions here. In that slide that is up...so you say that shows...it's your...and I understand these are not anything other than really good estimates.

**Bob Swintz:** Right

**Councilman McGinn:** Okay. You're showing net after debt service and previous obligations, a combination of TIF, gaming and Food & Beverage of 17.9. Is that correct?

**Bob Swintz:** Correct.

**Councilman McGinn:** Okay but we can't use Food & Beverage. We are legally obligated to only use that on the Centre or the arena or else those bonds are worthless.

**Bob Swintz:** Well the...and that's why I included the arena debt in here as well. So I'm not sure that we'll ever generate over 100% of debt service on the Food & Beverage. We can get close but it's not going to happen until 2030, 2031 so I've I included them in both sides.

**Councilman McGinn:** Okay, so that...less hotel and arena debt service at 10.3, I mean that is assuming all of the Food & Beverage tax is going to pay that debt?

**Bob Swintz:** Yes,

**Councilman McGinn:** Okay, I understand they're included on both sides but you show a total available of 7.6 but if we can't use the Food & Beverage, shouldn't that be...

**Bob Swintz:** We can use the Food & Beverage after the current obligations expire.

**Councilman McGinn:** Okay. So again on the arena though, the current obligation for which those are committed does not expire until...and I think they...

**Bob Swintz:** 2038, 2039.

**Councilman McGinn:** 2039, okay yeah, okay.

**Bob Swintz:** It's the danger of putting numbers...

**Councilman McGinn:** I know, I know, I know it's a danger.

**Bob Swintz:** I will say that the TIF and the Food & Beverage are really more exact...not exact...we have an estimated revenue and we have definite debt service numbers that we net against that...

**Councilman McGinn:** Yeah

**Bob Swintz:** The wagering, the gaming revenues are less exact because that only not only includes a debt service component but also is used for capital projects within the City's budget so that number could fluctuate on an annual basis.

**Councilman McGinn:** Okay but the 5.1 you have up there for gaming revenue, that's possibly available, what is that used for now? I mean we don't keep a surplus of 5.1 million dollars every year from our gaming revenue in any account that I'm aware of.

**Bob Swintz:** Total revenues, I believe, are somewhere between 12 and 13 million dollars. There is a debt service component; the rest of it is capital projects.

**Councilman McGinn:** The debt service component is what, eight?

**Bob Swintz:** Right around there.

**Councilman McGinn:** Right around eight, so then there's...

**Bob Swintz:** Again, the rest of it is capital projects so...

**Councilman McGinn:** *(Inaudible)*.

**Bob Swintz:** You may not spend all of it.

**Councilman McGinn:** I know.

**Bob Swintz:** It kind of just averages right now.



**Councilman McGinn:** Okay, the Riverboat, the gaming revenue debt service you're talking about, is that also...does that include the long-term contracts for police vehicles and fire vehicles and things that are in existence?

**Bob Swintz:** Yeah.

**Councilman McGinn:** Okay so then the money, the discretionary capital improvements that are not already committed, that's where that fund is.

**Bob Swintz:** This could almost be a discretionary number...

**Councilman McGinn:** Okay.

**Bob Swintz:**...that the City...and it doesn't say that it's going to be used. Food & Beverage could grow greater than we anticipate, TIF could grow greater than we anticipate and we may not ever use any wagering money.

**Councilman McGinn:** I understand. Okay now quick, another question here is the...I mean we are talking in a vacuum. Let's assume that we are going to issue 33, 34 million dollars' worth of bonds. I don't know the fancy terms you guys use. What's the payment on that?

**Bob Swintz:** Well we...at a 5% interest rate over 25 years that could be 2.1 million dollars.

**Councilman McGinn:** Two point one.

**Bob Swintz:** If we...and that's at a 5% rate. So we think certainly there is a big portion, if not all of this that could be done tax exempt. That would indicate, if we did it today, we could do something at less than 5%. There may be a mixture of taxable/tax exempt.

**Councilman McGinn:** Okay so the money that...I mean there has been some money saved up for this project...

**Bob Swintz:** And there is money currently on hand that we anticipate using.

**Councilman McGinn:** Eleven or twelve million.

**Bob Swintz:** You may recall from the arena, once we have a more definite schedule and the timing of that schedule, we really worked in future cash flows to use those dollars to reduce the debt as well.

**Councilman McGinn:** Okay so...

**Bob Swintz:** But we may look to 2014 revenues for a portion of the funding.

**Councilman McGinn:** Okay, so if we are looking at 2.1 million, which is the payment, the car payment we'll call it, over 25 years and you're saying that there is not committed 7.3 million dollars' worth of TIF funds? Or how much of the TIF funds are already committed for other projects, do you know?

**Bob Swintz:** Yeah, about a million and a half is committed for current debt.

**Councilman McGinn:** That's it?

**Bob Swintz:** Yeah.

**Councilman McGinn:** So six, almost six million dollars would be available in TIF alone to handle the 2.1 million dollar payment over 25 years.

**Bob Swintz:** Right, but again, I mean you want to look at what your other projects are and you are going to weight what funds are being used. That was point of trying to be flexible if we can get away without pledging the TIF and the Food & Beverage that gives you *(Inaudible)*.

**Councilman McGinn:** Well I'm not even counting the Food & Beverage, *(Inaudible)*. I mean you know it's 2039. I have a sneaking suspicion I am not going to be here.

*Laughter*

**Bob Swintz:** Well...

**Councilman McGinn:** All right. Thank you.

**Bob Swintz:** Okay.

**Councilman Friend:** Bob, I have a question. I've got a question. Let's couple this with the downtown medical center. Now if we're...what I'm concerned about, I see the tight numbers. We are sitting on, currently, on \$14,179,000 based upon the latest financial that I'm looking...reviewing. The TIF, the master TIF fund has seven million in it as I'm seeing it. I got an email that came in from administration indicating that we have...if we bifurcate the TIF, which it sounds like what you want to do.

**Bob Swintz:** I would probably recommend it.

**Councilman Friend:** Yeah.

**Bob Swintz:** You don't have to do it, I mean it's not going to create a successful project or not but...

**Councilman Friend:** Well I'm seeing about, according to this email I got, I'm seeing \$600,000 a year. What I'm puzzled about is they are only assessing the hotel at \$20,000,000.

**Bob Swintz:** Right.

**Councilman Friend:** And that's generating \$600,000. When I look at that that only supports \$9,725,000 in present value money. That's what I got and I'm doing that at a 3.75 rate if you want to look at that. I'm puzzled. I'm having a hard time getting to the number. If we bifurcate the TIF, it's only worth about 10 million bucks, present value.

**Bob Swintz:** Okay.

**Councilman Friend:** Is that right that it was only going to appraise at \$20,000,000?

**Bob Swintz:** We are in the process. As the project is evolving, we have issues of the hotel... is it assessed at investment cost, is it assessed at revenues, how is the parking garage going to be owned and assessed, how is the retail going to be owned and assessed, so we are trying to work through those numbers. Twenty million is not the right number but will probably be close.

**Councilman Friend:** Yeah, I guess what I'm looking at forward to 2015, what is going to be required of us to get the...to acquire the land for the downtown medical center. That number is going to be huge. Four square blocks

**Bob Swintz:** It's the medical center so I can't...

**Councilman Friend:** We are going to need four square blocks of downtown to do that.

**Bob Swintz:** I mean I assume you'll be doing the same thing...

**Councilman Friend:** And by the way...

**Bob Swintz:**...looking at what other pots of moneys...

**Councilman Friend:** Bob, by the way, that's going to be tax free stuff cause it's going to be Indiana University, so that's going to affect the TIF at that time as well, would it not?

**Bob Swintz:** I don't know where it's going or what four blocks you're taking about...

**Councilman Friend:** Well no but if you follow what I mean, it's going to affect...

**Bob Swintz:**...but yes, it would be a tax exempt...

**Councilman Friend:**...it affects that baseline TIF number if we take four square blocks. Now over the long haul, long term, I see it being very beneficial cause around it everything starts growing up. But in the near term, five, maybe longer, years out that could have an impact. Except the CO...we would pick it up on the COIT at that time because you're going to have more jobs available. I think that Umbaugh's report is going to show 12 thou...12 hundred jobs within, I think, within two years of that. That's what the report, preliminarily would say.

**Bob Swintz:** Okay.

**Councilman Friend:** So we could pick up through the COIT.

**Councilman O'Daniel:** Did you do any assumptions based on what the projected medical center might cost and then create a carve-out for that particular area? I'm just...hypothetically....

**Bob Swintz:** I have not.

**Councilman O'Daniel:** Okay.

**Bob Swintz:** I've only been given kind of a round number of what it might be but...

**Councilman O'Daniel:** I know that there has at least been talk about four square blocks, perhaps within the TIF. If that was carved out, what would be the change, and obviously that's not knowing where the site plans and those sort of things are, but I think we have to look at certain assumptions as it relates to cash flows and what we can reasonably afford.

**Bob Swintz:** Yeah, I don't know, again, like you said, I don't know where the site is, I don't know what the assessed values are right now. We can certainly figure that out with some of the detail.

**Councilman O'Daniel:** If the number were 30 million dollars, just hypothetically...

**Bob Swintz:** Assessed value?

**Councilman O'Daniel:** What would the City's contribution be or what would we need to insure that the medical school would be downtown. That's infrastructure and those sort of things. What would be the debt service on that and could we afford it based upon the cash flows that you show? Could we do both? And if we could then what do we sacrifice. Do we sacrifice that extra fire truck? Do we sacrifice the half million to a million dollars to knock down dilapidated buildings? Those sort of things that we use, those capital projects from the gaming revenue for right now.

**Bob Swintz:** I understand but I'm not sure I could get...not knowing a lot of detail I would probably be foolish to try to answer that question right now. I mean, if you want to pose it, and I can do some research on it, but I couldn't tell you in 2015 what interest rates are going to be. I don't really know a lot about the site.

**Councilman O'Daniel:** We can make certain assumptions though just looking out three or four years, right? I mean just...

**Bob Swintz:** Oh absolutely we can make assumptions. I just can't do it on the fly.

**Councilman O'Daniel:** I understand. You've not been asked to do that part, right?

**Bob Swintz:** No.

**President Robinson:** Councilman Adams.

**Councilman Adams:** Let me ask a dumb question. Are you planning to have an internal auditor in this project since the City is putting up half the money? And I guess I'll also ask for the *(Inaudible)*.

**Mayor Winnecke:** We are going to have...we plan to have an owners' rep that would report regularly to the Redevelop...

**Councilman Adams:** Owners' rep?

**Mayor Winnecke:** An owners' representative who would report regularly on expenses paid to the Redevelopment Commission and to this body on a regular basis.

**Councilman Adams:** Does that meet our needs?

**Councilman Friend:** Well it sounds a lot like we had with the arena.

**Councilman Adams:** Yeah.

**Councilman Friend:** We had an overseer by the name of Mr. Kish and I, you know, I would suggest that you put in the funds to have a...have somebody independent of the owner. That's my opinion.

**Councilman Adams:** Yep, could we consider that?

**Mayor Winnecke:** It would be somebody employed by the City to do that.

**Councilman Friend:** But he'd be totally independent of the owner.

**Mayor Winnecke:** Right, that's our plan and to report to this body and to the Redevelopment Commission on a regular basis.

**Councilman Adams:** So if we use the term internal auditor, would that meet my needs and your needs?

**Mayor Winnecke:** Phrase it how you'd like but...

**Councilman Adams:** Well let me ask a dumb...another dumb question. If you've got...if the City is putting 20 million into the hotel and this wonderful group from Branson is putting another 20 million in, how is the hotel assessed at only 20 million.

**Councilman Friend:** That's puzzling. I mean I got...

**Councilman Adams:** The math doesn't seem to work.

**Councilman Friend:** I got the email here from...

*(Inaudible)*

**Councilman Adams:** Well not right away, I mean...

*(Inaudible)*

**Councilman Adams:** Yeah, but not right away. A 50% decrease?

**Rob Hunden:** The question actually is the answer. The reason you have to put in the 50% subsidy is because the hotel is only worth half of what's it's costing to build from the private sector's perspective. That's what makes it an economic development deal and not a deal a private developer would do on their own.

**Councilman O'Daniel:** *(Inaudible)* never cash flow itself.

**Rob Hunden:** Right. If HCW had to build this project on its own, it would go into bankruptcy. So you are putting in the part that doesn't make economic sense in terms of the business side of it so that you can actually create an economic development package that does work.

**Councilman Adams:** *(Inaudible)*

**Rob Hunden:** That's right.

**Councilman O'Daniel:** Then why is that non-full-service hotels can do it on their own without any sort of public subsidy?

**Rob Hunden:** Because this...

**Councilman O'Daniel:** Are we subsidizing then all of the upgrades and the niceties then?

**Rob Hunden:** Yeah, you're subsidizing a few things and I can tell you exactly what. So the reason that...somebody made...accountants made a good discovery back in the 80s. The discovery was that what really makes money in hotels are the rooms. They generate about 75% for every dollar that's spent. Everything else in a hotel tends to either make a lot less than that, so food and beverage might break even, it might make 25%, phones loose tons of money, so all those other departments of a hotel tend to drag it down. And so what you need are clusters of limited service products that are, you know, basically cookie-cuttered out that Wall Street super comfortable with because they're really predictable. You can clip those coupons all day long but they don't do anything for you in terms of what you are trying to do downtown. And so...

**Councilman O'Daniel:** So for instance all the retail that's put into this...basically it's built-in and you're going to lose money on it.

**Rob Hunden:** Well we're not losing...you know the retail successful businesses...the hotel will be a successful business and the retail and restaurants will be successful businesses in their own right but the cost to develop those in terms of the return on investment is not what it needs to be to induce the private sector to do that on their own.

**Councilman O'Daniel:** The rents of the retail space would never cover the cost...

**Rob Hunden:** Right, correct. And because you're sitting in a \$99.00 market at 60% occupancy instead of a \$199.00 market at 70% occupancy, you can't justify those additional expenses. It's even harder in major cities with higher rates and occupancies to support the development of convention hotels because all those things that are not as efficient producers of money, the non-rooms, the ballroom space, the kitchens, all that stuff costs a lot of money so that's what you're really funding. There are all those other bells and whistles that create that sense of place.

**Councilman O'Daniel:** Wouldn't it be true then that the limited space ballroom, if you want to call it that, would likely take away some of the smaller projects or smaller get-togethers in the Centre?

**Rob Hunden:** Yeah.

**Councilman O'Daniel:** So it's not like it's a wash cause the idea is to bring in bigger  
(Inaudible)

**Rob Hunden:** Right, so what that...

**Councilman O'Daniel:** But you're going to take away from the Centre just as much.

**Rob Hunden:** No. What the hotel enables the Centre to do is actually grow up and act like a Centre again, right? It can go out and sell itself as the Centre and say, "Hey, we've actually got a hotel next to us. You can actually bring your piece of business here that will fill our huge ballroom, which will fill our large exhibition spaces". Right now, you're depending on a handful of food shows and weddings. You shouldn't be having weddings in the County-owned Convention Center. Weddings should be in nice hotels and so this will flip this back to where it's supposed to be.

**Councilman O'Daniel:** How much SMERF business are we loosing?

**Rob Hunden:** I'm glad Bob Warren is here. The question is how much...I just need a second of your time. Bob is here from the Convention and Visitors Bureau and Phillip is whispering in his ear but...

**Councilman O'Daniel:** Well, I think the point is this.

**Unidentified Speaker:** (Inaudible) SMERF business?

**Rob Hunden:** So SMERF business, just so people know, it's tends to be lower rated business. It's Social, Military, Educational, Religious and Fraternal, that's what SMERF stands for, not little blue people. And so the question was how much of that are we currently losing and how much of higher rated business are we losing now.

**Bob Warren:** I'm quite confident at the end, looking at the numbers, we are currently working the SMERF market aggressively. Just in the past probably 12 months, we have had an estimated 300 to 350 SMERF leads that we have worked resulting in only one or two pieces of business. The common factor that we hear in dealing with SMERF, which is your lower business as Mr. Hunden just indicated, Social, Military, Educational, Religious and Fraternal business, it is the lower end market for the most part but right now we're just not...we're not able to attract much of that at all because of the lack of a convention center hotel.

**Councilman O'Daniel:** Ten years ago when we had the Executive next to the Centre...

**Bob Warren:** And I'm sorry sir, I don't have 10 year old information at my disposal.

**Councilman O'Daniel:** We don't have any historical numbers to show how many conventions we had in the Centre when we had a convention hotel next to it?

**Bob Warren:** Yes sir we do. I have a report right here. I think you'll find...

**Councilman O'Daniel:** I think the point is that we are missing out on 90%, or potentially 90% of these overnights but have we ever even been there, historically?

**Bob Warren:** (*Inaudible*) just one extra step here is that right now we are actively working the association market in Indianapolis. The same thing applies. We're commonly being told, you know, "Once you have a convention center hotel, we will consider coming back to Evansville". We are working the General Baptists right now. We have the Jehovah's Witness, which is one of our largest annual conferences. We are continuing to keep those and rotate those in but if you read my recent article in the paper, I think you'll see that, you know, the trend has moved from being able to bus people from conventions that are in your city to a place where it's almost demanded at this day and time for you to have a convention center hotel. It's something that's happening all over the United States and has been for the past 25 years.

As we look at, you know, where we can go, I realize you're probably asking yourself about supply and demand. You know supply and demand; this hotel is going to generate 30-40 percent new business for our community. You know as you've heard me report to this body before, I've spoken to you about six, six and a half million dollars' worth of room sales, another six to seven million dollars in goods and services. That is the overall performance of like HCW is projecting. You know, that is great business for us and it is going to impact other hotels to a limited extent. But our mission is on the conventions and meetings business that is 30% to 40%, and I think when Mr. Hunden did his surveys, he focused on the association market. That does not include the SMERF market that we are actively pursuing. So I think as much as I respect Mr. Hunden's numbers, I believe his numbers are conservative.



**Councilman McGinn:** Bob, if I could just ask...while you're looking...jump in real quick, keep this in your mind while you're looking for these 10 year figures when the Executive was here, I don't think anyone will disagree with me, remember that it was an old, smelly, dirty hotel.

**Bob Warren:** I've heard that. I've heard that from the meeting planners.

**Councilman Friend:** Bob, let me ask you. I've got...Rob, I've got your report here. In 2011, we had 268, according to the report in 2011...keep in mind, the Executive was down at this point. We had 268 events of which 133 were meetings. In 2007 your report indicates we had 234 events at the Centre, of which 121 were meetings. So what's fascinating about this, with the Executive down, you had (*Inaudible*). The only year that was better was in 2009, according to the report, and it said the Centre hosted the Executive Inn convention events after the hotel closed so I think those are interesting numbers, what I see here.

**Rob Hunden:** Well I think what others have said, you know I can't necessarily couch it in those terms but the same thing happened with all the Executive Inns around the region. They all cycled down overtime. We also worked in Owensboro where there was a similar situation. We go back...I mean they were the convention business, right? So it's hard to get actual good statistics out of the local CVB because it actually was owned, all that kind of sales and marketing was owned in the building of the hotel but those had cycled down already to a point where only about half of those rooms I understand were even usable in 2007 and the rest weren't in good shape. So our sense of it was that you really have to almost go back to the beginning of the Centre being built to have a time and (*Inaudible*) period where it was a half-way decent hotel.

**Councilman Friend:** One other...I need to ask one other question though. On this value, we are going at 73 million but 15 million of it is going to be in the apartments according to what I guess the gentleman before you came up said. That brings it up to 58 million in costs and that's more than 50%. Usually these have a 50% LTV, usually what I've seen in these hotels. And that is far less than that. Can you explain why that would be.

**Rob Hunden:** Well certainly, you know, I think everybody on the team, including the developer, has tried to find ways to, you know, get all the things in the package that you want in the package without it necessarily costing as much as it does. We've limited the public in terms of the deal points now, we've limited what the City is going to be responsible for and the developer is not limited. And so even in the last few days, their costs have gone up a few million dollars; that's all on their side of the ledger so we may see that this ends up being closer to where you want to go because it's going to be a great project and they are on the hook for the overage.

**Rick Huffman:** I think I can answer your question on that. We've already talked to the lenders about this project. Obviously we wouldn't be here if we hadn't. A full-service hotel of the quality that has been asked to be here at a cost of \$40,000,000...full-service hotels run a gross operating profit of about between 23% and 25%. The limited service hotel, for example, the Hilton Garden Inn nationally is about 40% and a Courtyard...not a Courtyard but a Residents Inn is about 50% GOP. Okay, if you're building hotels you really want to build limited services hotels cause that's what makes money and has less (*Inaudible*) and you can get those financed.

On a hotel like this with only a 23%, 24% GOP with a 60% occupancy, there is only enough at a DSCR, and we are in a DSCR of 1.6 cause that's what our lender requires at a minimum, okay.

**Councilman O'Daniel:** What's DSCR?

**Rick Huffman:** That's Debt Service Coverage Ratio, sorry. And so when you take a look at those type of numbers, they'll only support debt of a certain amount (*Inaudible*) debt because they are very high risk because of low GOP.

**Councilman Friend:** (*Inaudible*) with EBITDAs. You're talking about (*Inaudible*) relationship with EBITDA.

**Rick Huffman:** No, not EBITDA, I'm talking about GOP.

**Councilman Friend:** GOP...okay.

**Rick Huffman:** Then you take everything below bottom line, including your 4% reserves that they are going to require you to escrow for replacement of FF&E because especially you as a body, you as a City, you want to make sure you're investing something (*Inaudible*) escrowing funds for a remodel every so many years.

**Councilman Friend:** I guess the other interesting thing but we're going to be giving you the land here as well.

**Rick Huffman:** No, that hasn't been decided. That may be a lease, long-term lease. That's still being worked out.

**Councilman Friend:** That's still being worked out. Okay.

**Rick Huffman:** But at the end of the day, it's just a matter of numbers. It's what is...and we work with cities all the time...it's do they want a convention center hotel? If they do and they want private equity at risk, then that's what we do. We take risks and we've had some that work, some that don't. Thank goodness most of them have panned out.

**President Robinson:** Rick, how much are the rooms going to rent for nightly?

**Rick Huffman:** You know we ran, Connie, a...we think that right now they are going to average somewhere on an A...we'll call it ADR...at about \$118.00 a night on ADR. Average.

**President Robinson:** Okay, my next question I guess is to Bob. With the SMERF market, would those individuals be willing to pay that type of nightly rate?

**Bob Warren:** That's a little high for SMERF market. You know...

**Rick Huffman:** That's average Connie because the SMERF market, as Bob said, is lower. We're going to be doing rooms I'm sure at, you know, \$79.00, \$89.00 for the military in that

SMERF market but then you're also going to have, you know, the Bar Association, which that's one we usually get, every state, we get their Bar Association on a rotation and they'll pay \$160.00 a night so it depends on, you know, one...the attorneys have got all the money.

**President Robinson:** So you're telling me you go up according to who the conventioneer is?

**Bob Warren:** What we've learned over the years is that hotel developers use a program called Yield Management and when we send out a lead or a bid, be it a 500-room piece of business or a 2000-room piece of business, the meeting planners typically give us a profile on what their rate structures need to be and the owner of the hotel is going to have the opportunity to look at those rates, look at the Yield Management for that hotel, and determine whether or not that is a good piece of business at a lower rate. You know what he's interested in is the bottom line.

**Rick Huffman:** We've learned an empty room makes no money.

**Councilman O'Daniel:** Mr. Hunden, did you run a pro forma for 200 rooms or less?

**Rick Huffman:** We did.

**Councilman O'Daniel:** Are those available?

**Rick Huffman:** We ran them from about 160 all the way up to 300.

**Councilman O'Daniel:** And what were the...what would have been the public subsidy at 160?

**Rick Huffman:** It would have been less. I don't remember off the top of my head. I think the one that we honed in, we thought 180 was a really good size.

**Councilman O'Daniel:** 180 you thought was a good size? What was that going...what would the public subsidy been on 180?

**Rick Huffman:** I don't remember, but it was less.

**Councilman O'Daniel:** Did you make the decision for 250 or was that somebody else.

**Rick Huffman:** We've been working with Rob and market study, trying to get the type of business that he wanted, which I totally understand. If I'm trying to get a lot of the convention business, I want a bigger hotel.

**Councilman O'Daniel:** Sure.

**Rick Huffman:** If I'm trying to make a profit, I probably want a smaller hotel.

**Councilman O'Daniel:** Now was that brought into...I know your study was done before the Comfort Inn proposal of what, 90 or 100 rooms. Does that change your study.

**Rob Hunden:** No, it doesn't really impact what a meeting planner *(Inaudible)*.

**Councilman Adams:** Can you *(Inaudible)* a myth for me?

**Rob Hunden:** Destroy a myth? *(Inaudible)*

**Councilman Adams:** There is a myth going around that Owensboro, you mentioned Owensboro, that their hotel is not requiring any public money and the question was if they don't have to require any public money, why do we have to have public money,

**Rob Hunden:** Sure, happy to dispel that myth. Actually I worked on behalf of the Commonwealth of Kentucky on both of those projects that are underway right now. They have a 150-room Hampton Inn and Suites, which is kind of like a limited-service on steroids just a little bit. They've got a little bit of function space, a little bit of food and beverage and then there is about a 120-room Holiday Inn that's going in that's kind of quasi full-service as well. Both of those applied for and were approved for up to 25% of their project costs being rebated through a rebate of the State-generated 6% sales tax. So over a ten-year period, each of those hotels has the opportunity to, as they generate sales tax, send that information back to the state and they get a rebate up to 25% of their total project cost. So that's just the State portion for each of those deals and then the local portion, our understanding from the City Manager, the Town Manager, excuse me, City Manager of Owensboro, is that there is actually an occupancy guarantee of 65% for the first hotel so that if they fall under that, the City somehow makes up the difference and so that was something that, you know, if you're going to be in that business you might as well just own the hotel but we don't know on the second hotel if there were any local incentives. There are none on local but the second hotel but that's a smaller project. The first one had substantial...plus there were new market tax credits which is a federal program that all projects can apply for and we are actually running the traps on that for this one as well because that will save everybody money if we can get several million dollars in new market tax credits. So those projects had help for sure, absolutely.

**Councilman Adams:** Thank you.

**Councilman McGinn:** Were there...what's the combined cost of the 150-room limited and the 120-limited on steroids...the other way around. Just a ballpark.

**Unidentified Speaker:** The 150 is *(Inaudible)*

**Rob Hunden:** That sounds about right.

**Councilman McGinn:** The 150 is 20 million so the other one may be 17 to get 37 million.

**Rob Hunden:** Yeah I think the 120 is closer to be 15. So we're looking...

**Councilman McGinn:** Thirty-five to 40 million for those two hotels and ours is potentially a 40 million dollar hotel.

**Rob Hunden:** Right.

**Councilman McGinn:** Just...Rick if you could without...you don't even have to get up on this Rick but the proposed tower and the hotel, as they stand right now, are going to be on the tax rolls. Is that correct?

**Rick Huffman:** That is correct, yes.

**Councilman McGinn:** And then that's part of the thing...if we separate that out, the tax goes in specifically to serve this debt. Is that correct? Is that what this carve-out is?

**Rick Huffman:** Yes.

**Councilman McGinn:** Okay, and then there is a...hotels can either be based on construction costs, assessment valuation but more likely they are on income. Is that how most of them are done?

**Rick Huffman:** After the second year, yeah.

**Councilman McGinn:** Yeah because I know...because we had some projects in here on apartment complexes and I thought that the taxes were very low and I was told they are based on rent basically.

**Bob Allen:** Councilor I would just say as the project is more defined, we know what the apartments are, we know what the hotel is, we will work with the Assessor so that we will have a more definite answer for you. We are probably two months away from coming back with a financing package so the 20 million dollars will be a lot better off...

**Councilman Friend:** Rob, can ask you one thing? What is the revenue stream expected on the apartments? Now I would project that that was probably at a 98% occupancy rate on this. Would you expect to get \$1500 a month out of those.

**Rob Hunden:** That's going to be a Rick question.

**President Robinson:** I'm sorry. You need to come to the microphone.

**Councilman Friend:** Yes, yeah. Because when you put this in the mix...I've played with some numbers myself and I'm trying to get a handle on that.

**Rick Huffman:** Sure. The apartments are on our internal pro forma, we are running those at \$1.25 per square foot rent.

**Councilman Friend:** A dollar twenty-five. How many square feet on the average?

**Rick Huffman:** They are not big units. They range from...the one-bedroom I believe is like about 750 square feet and a two-bedroom is 11 something. We are *(Inaudible)* at 90%

occupancy, stabilized after the third year...second year on there. There is an application going into the State HUD office for 221D4 on that project for those of you familiar with HUD insured loans. It's an insured loan on that.

**Councilman Friend:** So you...on the small unit we may be just a little under a thousand dollars a month.

**Rick Huffman:** Yeah, I would imagine it would be in that range.

**Councilman Friend:** About a thousand. The other unit is going to be about \$1200.

**Rick Huffman:** We'll see how the market, the lease (*Inaudible*) goes. We hope to have a little higher rent quite honestly. We need to.

**Councilman Friend:** Well if you use...

**Rick Huffman:** But looking at the current market, that's what we are assessing.

**Councilman Friend:** But if you use a Cap Rate at about 10%...I'm sure you are on those apartments, aren't you?

**Rick Huffman:** No we are using less than that on a Capitalization Rate.

**Councilman Friend:** Okay so that's going to drive the units even more valuable wouldn't they?

**Rick Huffman:** We sure hope so.

**Councilman Friend:** Yeah, well that's why I'm having a hard time with this 20 million dollar number because we really have two projects into one and my question is this 20 million...it surely can't include those apartments.

**Rick Huffman:** Oh no, no, no. The apartments are 100% us; no City subsidy.

**Councilman Friend:** So in essence that's really not going to be the City's at all. You're keeping that money yourself.

**Rick Huffman:** (*Inaudible*)

**President Robinson:** Are there any other questions from any Councilmembers? At this time I'll open the questions to the audience. The first, Steven Becker. Steven Becker.

(*Inaudible*)

**President Robinson:** No questions...okay, thank you. Bruce Griffin.

**Bruce Griffin:** Yes, I'm Bruce Griffin. I'm from Evansville. Madam President, members of the Council, a lot of times I ask myself why I take of standing up here and making a public spectacle of myself but I realize I have a passion for downtown and I want to see us do it right so I want to make a quick statement if I could.

I've come to the conclusion that downtown Evansville is a mindset. Either you believe in what's been accomplished in the past 17 years or else you consider all these gains a colossal waste of time. Either you see clearly the potential for what downtown can become or you never bought in in the first place. There are those in the room tonight who envision the City Center at its best, including myself. Others will always see downtown as a lost cause. Well I choose to support and promote the continual efforts to create a vibrant, active center for commerce and trade downtown. We've invested millions of dollars to complete a number of vital projects so far and the building of a convention hotel is just another step in the process. We can't get to this point and then decide to put the brakes on future downtown development and all the jobs associated with it like the jobs that will go to these construction workers, if we approve these projects. Beyond the hotel, the ballpark at rivers' edge will need to find its place along the riverfront where that unsightly rock pile now stands. During warm weather months a minor league baseball stadium would attract thousands of visitors the way the Ford Center attracts big crowds from October through March. Again we will need to revisit the ballpark issue but for now the convention hotel takes precedent and as I've made the case in earlier forums, downtown sorely needs a major retail project like Branson Landing to give year-round shopping options to both visitors and locals alike.

So in closing, I can tell you I have a strong belief that downtown Evansville was, is, and always will be worth the effort. Any city is only as strong as its core so I hope all the members of the Council feel the same way and in the coming months, as you vote on this, keep the momentum going and this city will better served by your vote of confidence in downtown. Thank you.

*(Applause)*

**President Robinson:** Thank you. Reverend Adrian Brooks.

**Rev. Adrian Brooks:** Madam President, members of the City Council, I've come to offer my support of this project but with certain stipulations. I'm sure nobody is surprised by this. I would be a hypocrite if I didn't stand as...and I a resident of Center City and I pastor a little church here in the Center City and so because of that I think this is a great project with certain stipulations:

The public subsidization of this project be lowered so that this creative financing opportunity could accomplish maybe some other initiatives. For example in lowering the public financing, you set aside some of these funds for mass demolition of the many uninhabitable we have in this city. Upgrade the parks that we already have. Complete more sidewalks and pave a lot of our streets that have fallen in disrepair with building this nice hotel in Pigeon Township.

I would also ask that the following be considered as well and that it would become a part of the contractual agreement with the City and that is that they would set aside 20% for Minority and

Women Owned Businesses and that they would also set aside 33% of the jobs, hopefully, to come for Center City townships, the people who live there. The reason I say that is because those of us who live in some of these Center City townships are some of the most taxed individuals in this city so therefore because when we offer these subsidies and these incentives it does place a heavier weight on those of us who live in the Center City. Since I live in the Center City, I do not live in Newburgh, I do not live in Poseyville, I don't live in Princeton, I live in Evansville in the Center City across from Akin Park, a park that I would like upgraded with some of this creative financing money.

Again, I support this project and I support the expansion of the med school as well. I'm very excited about it; would love to have it in the downtown area and perhaps if we take some of these resources and start demolishing some of these houses, we can make room for the med school.

So again, thank you for your time. I support this project but with these stipulations because I believe that if the community is going to benefit, some of the neediest individuals in the community ought to benefit as well. Thank you.

*(Applause)*

**President Robinson:** Thank you. Jim Braker.

**Jim Braker:** Good evening Councilmembers, Madam President. First of all I'd like to plead jobs, we need jobs here for sure. Being a senior citizen I'm always concerned about our property tax because you know we lost our Homestead credit but didn't get it back. I understand we are not going to use property tax but you never know when things get tough.

I'm concerned about the funding. We look at the gaming revenue. As we know there are several gaming...additional gamings are going up in the State of Indiana, close by us. We have Ellis Park adding all these machines over there. They're going to be taking a lot of our revenue away I see in my opinion, which could very easily cut that gaming revenue quite a bit so we've got to be concerned about that.

But anyway, I'm for the project but I do feel that we need to be very careful that we don't get into using *(Inaudible)* you know because our property tax went up 20% - 30%. You know we can't afford that as senior citizens. They can tax us right out of our home so that's my concern.

Again, I say we do need jobs but that's why I wanted to make my comment. Thank you.

**President Robinson:** Okay, thank you. Charlene Williamson.

**Charlene Williamson:** Thank you Madam Councilwoman and general Councilmembers. I got civic leaders and all of our wonderful neighbors who are behind us hoping to get jobs out of this. I'm reading this letter tonight from Tom Loesch and Billy Hadel, who were not able to be here, but they have an art studio in the Arts Council in the Haynie's Corner area.



*Evansville needs this hotel. Pigeon Township needs this hotel. Downtown neighborhoods need this hotel and our neighbors, who we have here tonight, need it. We witnessed firsthand the hardship that happened when Evansville's Executive Inn closed. Several of our neighbors worked there. They earned enough to pay mortgages, feed their families without assistance, live with a sense of security and participate more robustly in our local economy. A new hotel/apartment development of the scope that is being proposed will provide much-needed jobs during the construction phase and permanent, sustainable employment for your constituents.*

*Billy Hadel worked for the DoubleTree hotel in New Orleans so we are quite familiar with the company and Evansville will be very lucky to have it. The private residence component is an ingenious addition.*

*As a community, we have long recognized the need for greater downtown population density and more local business to serve the people. These needs need to be addressed in tandem. Apartment dwellers will patronize Main Street businesses and those in the fledging Arts District.*

*Indeed this hotel project will complete the transformation of downtown from the casino to the Arts District neighborhood, which is over by Haynie's corner.*

#### *TAPE CHANGE*

*Our own business, which is Billy Hadel's Studio, and others in the Arts District will grow faster and more robustly if Evansville develops its potential.*

*Again, this convention hotel will help spur economic development on the front of a new frontier for our city. The convention hotel has been delayed because of a number of factors. A major one has been an exhausting vetting process. Your constituents have paid for several experienced consultations and we ask that you heed their professional advice. The staff of the Department of Metropolitan Development, for whom we have great respect and trust, Mr. Warren, our convention leader, and Mayor Winnecke, whose fiscal prudence and vision we also respect as neighbors, are asking you to approve this project.*

*We, as neighbors, ask you to approve this project (Inaudible) and without further delay. Thank you.*

*(Applause)*

**President Robinson:** Thank you. Jerome Stewart.

**Jerome Stewart:** I would just like to say good evening to everyone. I've really enjoyed the exchanges. We have some highly intelligent City Councilmembers and you asked some really great questions. So I'll be very brief. I have a few questions, a statement, and a comment and first I want to say that we need the hotel. It's no doubt about it. I'm coming to you as a taxpayer and I'm sharing with you what I struggle with as a taxpayer so when you come to your decision, as you deliberate, help me understand why we can't use taxpayer money to create the jobs in an economy that is stagnant.

And then my next question is we sent taxpayer money abroad to help other countries build their economies. That's the question. What about our economy? What about us?

And then lastly I have a comment. When parents struggle because of a lack of gainful employment, their children suffer also as well as the community as a whole. When are we as a community going to be willing to take some chances to move this city forward?

I am a resident of the Fourth Ward and I have the opportunity in going down to the gym each morning at the YMCA to watch the Center City being transformed day by day with infrastructure, with sidewalk improvements, with the razing of dilapidated homes and much, much more needs to be done as Rev. Adrian Brooks alluded to.

But I know that you'll make the right decision. I sit here and listen and I think that we all want to do what's best for this community and there is one other thing that I hope we all keep in mind. No matter what the Gallop Polls say about Evansville or whatever, we live here and we know the truth and we know that this is a great community and if we work together, our better days are ahead. Thank you.

*(Applause)*

**President Robinson:** Jacob Pendleton.

**Jacob Pendleton:** Jacob Pendleton from Evansville, immediate past president of Evansville Hotel Lodging Association.

Just want to read a brief statement that we've come up with.

*The Evansville Hotel Lodging Association consists of owners, operations of approximately fourteen hotels in Evansville. The EHLA represents approximately 600 employees. We have approximately 1600 rooms in our control. The following brief is a synopsis of the position of EHLA with regard to the proposed downtown hotel development based on the information that's been presented to us.*

*The Evansville Hotel Lodging Association has no objection to the downtown hotel. The Evansville Hotel Lodging Association is adamantly opposed to the level of public subsidy that has been mentioned in this project, thirty-seven and a half million dollars now. In addition, the Evansville Hotel Lodging Association is adamantly opposed to using the Innkeepers Tax for any portion of this project to benefit the sole developer. The Innkeepers Tax is collected by all members of the Evansville Hotel Association and the proceeds therefore should be used for all hoteliers. Indiana code 6-9-2.5 sets forth the proper use of that tax.*

*The Evansville Hotel Lodging Association encourages City Council to become independently familiar with the information available about this project to conduct the proper due diligence that a decision of this magnitude must require.*

*The Hunden Strategic Partners has already conducted a detailed feasibility study about the project and we urge the members of City Council to become familiar with this study, if you have not, which we felt clearly illustrates the project of this scale will not accomplish its intended goals and very well be detrimental to our market.*

*The Evansville Hotel Lodging Association strongly urges City Council to study the two downtown convention hotels in Ft. Wayne, Indiana servicing the Grand Wayne Center. The situation up in Ft. Wayne is similar to Evansville and can serve as a case study of what may be ahead for our City in assisting the hotel development and what will not.*

*While the Evansville Hotel Lodging Association is strongly in favor of increasing the tourism industry, we believe that subsidizing a private development with too much public money will ultimately put our industry and our city at risk.*

*The Evansville Hotel Lodging Association is confident that you will carefully study and with prudent fiscal policy, our tourism industry can be enhanced and grown. During this process we will be happy to offer any assistance that we can for our City Council with regard to this industry.*

*Finally, once the public has been made aware of the details regarding this proposal of the development project, The Evansville Hotel Lodging Association and the individual members would request an opportunity to come back and speak to you again.*

**President Robinson:** Are you vice-president or *(Inaudible)*

**Jacob Pendleton:** Immediate past president.

**President Robinson:** Immediate past president.

**Jacob Pendleton:** This came up as I was transitioning out so I was a little more familiar with the project.

**President Robinson:** Do we have any other members of the Evansville Hotel Lodging Association present tonight?

**Jacob Pendleton:** Yes, we should.

**President Robinson:** Will you please stand so...Okay. Okay thank you.

**Jacob Pendleton:** Thank you.

**President Robinson:** Next, KC Jain. I know I pronounced your last name wrong KC.

**KC Jain:** You are correct, KC Jain. KC Jain, thank you very much. Madam Chairman and other members and Mayor and the team, I think after living here 30 years, you can tell from my accent that I'm not born and raised here, however I have lived here for 30 years. After 30 years I have seen a vision by the leaders of this City. The mayor and the team has come up with an

excellent project, which we all should be proud of. After the Ford Center I think we needed something, which really shows the city that we can also bring the conventions, not only the sports events in there.

Anyway I just want to talk about a few things and I have some questions from HCW so they come later and answer that.

The ordinance passed by the City Council states that MWBE participation goals are required in all professional services and construction projects, however, no goals were written into the RFP by the architects Butler, Rosenbury & Partners, I guess I'm pronouncing it right.

**Unidentified Speaker:** You're close.

**KC Jain:** Okay I'm close. The ERC also has stated in the meeting with me and several people and Ms. Robinson, president there, they were required to have MBE participation. I am...the reason I am saying, I am one of the MBEs. I am local; I have my own business for several years and I offer professional services. Sometimes the MBE goals are misunderstood to be only for the construction. These are of course the goals, however the intention of the goals are that every effort should be made that the goals are met if not exceeded. But the example has been the Ford Center. The Ford Center exceeded the goals quite a bit and with the help of several people locally here who are also involved in this project.

I just want to know what kind of planned action HCW is going to have. I came over here to make sure the minority and women owned companies have (*Inaudible*) in this project here. I'm sure they talked a little bit about that but I'm kind of like surprised that the professional services were ignored; that there was no mention of the minority and women in the professional services.

**President Robinson:** Okay and I apologize. As you were talking I remembered that you did send me an email with that concern and I have not had a chance to address it but since Rick is here, let him address because I think he said a propose...a request when out and it didn't have any mention of MBE or WBE participation.

**KC Jain:** Correct.

**President Robinson:** Okay. I'll have Rick come to the podium for a minute KC. He's a...

**KC Jain:** Okay.

**President Robinson:** Okay.

**Rick Huffman:** We are doing 23% MBE and WBE total participation on the project and that includes professional services. In fact the RFPS that came in, they all indicated that if they had MBE or WBE and the two that are getting awarded, both are MBE and WBE.

**President Robinson:** Are they local or out of town?

**Rick Huffman:** They are local, both local.

**President Robinson:** Okay because now...KC, I think you told me that it wasn't...it didn't recognize if you were an MBE or WBE on the...

**KC Jain:** I am an MBE.

**President Robinson:** Yeah I know but did it say that it...I notice you...

*(Laughter)*

**KC Jain:** I just wanted to make sure that...

**President Robinson:** Yeah, you've just been out in the sun, huh?

**KC Jain:** It doesn't hurt to repeat some things to make a point.

**President Robinson:** Okay, but you said that it didn't mention that. I thought in the request...

**KC Jain:** The RFP which I received did not have any mention of the WBE or MBE participation.

**Rick Huffman:** I don't think it said it was required but we asked if you were WBE or MBE because our intent was to make sure that we do 23% of everything.

**President Robinson:** Did you remember seeing that KC?

**KC Jain:** No. I have a copy of the RFP and I can give it to you.

**President Robinson:** Okay, you have a copy and it didn't say that?

**KC Jain:** It did not say that at all. *(Inaudible)*

**President Robinson:** Okay let me...after this meeting.

**Rick Huffman:** We'll definitely make sure of that but I can tell you we're definitely meeting 23%.

**President Robinson:** Okay, maybe Rick, maybe you and KC...because it seems to be a misunderstanding. He is saying that it didn't say that and you're saying that it did say that so...

**Rick Huffman:** I've seen the emails, I haven't read but I've seen the emails where the consultant there will download the WBE, MBE. And I see this gentleman's name on it; we haven't awarded that contract yet.

**KC Jain:** This is the RFP I received and it does not have any mention.

**President Robinson:** I'll let our attorney look at this.

**KC Jain:** I don't know about that.

*(Laughter)*

**President Robinson:** Okay.

**KC Jain:** I just wanted to mention that what management tools do they have to be *(Inaudible)* with 21% or whatever goals for this project on their MBE, WBE.

**President Robinson:** I guess Rick needs to stay up here and answer those questions. What tools, Rick? Okay, or Bob or somebody.

**Rick Huffman:** It probably ought to be Bob; he knows more than I do. He just told me that each one, when they qualified, after they were qualified, they've had personal interviews and through the personal interviews that was asked, "Are you WBE...MBE? What are your qualifications? How many workers?"

**President Robinson:** So Bob you didn't have anywhere on the application...on the Request for Proposal?

**Rick Huffman:** It wasn't on the request. That's correct.

*(Inaudible)*

**President Robinson:** Why don't you...go to the podium please.

**Bob Allen:** Those that met the qualifications, per the architect, were then called by the architect for a personal interview and during those personal interviews they defined whether they were MBE, WBE or DBE and labeled.

**KC Jain:** When you don't have it on RFP then how do you know? And I never got a request or call for this.

**President Robinson:** That's not the usual procedure is it KC?

**KC Jain:** Well on the...the only example I can give, the City request and also the Ford Center request, it was written on the, and *(Inaudible)* can testify to that, on the request. I worked with *(Inaudible)* on the Ford Center and they have specifically said that these requirements are there. In fact, they asked me, and I have done a wonderful job for the Ford Center, and there was no complaint about that. It's running efficiently.

**President Robinson:** Well I know, even in corporate America they have a vendor profile. They ask you, "Are you an MBE, WBE?", and I mean I'm a MBE and a WBE and you circle that so I mean that's really not a standard procedure. You know they usually ask that during the process.

**Bob Allen:** I don't believe it's on the actual RFP that went out, okay. It think KC is right on that. But each one of the interviews that was conducted by those proposals that came back in, during the interview, on the phone, David Hess, the architect, the lead architect, inquired as to those qual...if they were qualified, WBE or MBE. And so when we formulated a proposal based on all those that we had received, all the RFPs, then we categorized them by discipline and then as the pricing and made sure that what they were bidding on was an apple to apples.

**President Robinson:** Did you ask for city, state...what type of certification did you ask for?

**Bob Allen:** As it relates to WBE, MBE or DBE, I don't know. I don't know what David asked for. But I do know...

**President Robinson:** Is David your diversity officer?

**Bob Allen:** David Hess is the lead architect that was in charge of distribution of the proposals.

**KC Jain:** I have been in contact with David Hess...

**Bob Allen:** And they've had several exchanges of emails.

**KC Jain:** Yeah I'm sure but he never mentioned about or asked...he knows that I am MBE but he didn't say anything (*Inaudible*) a telephone interview as far as my proposal was concerned.

**President Robinson:** Oh yeah, okay.

**Bob Allen:** How was he aware?

**KC Jain:** I talked to him. Because I had also submitted a civil (*Inaudible*) but he didn't mention anything about that and then I asked him about it. He said, "I don't know about that".

**Bob Allen:** The proposals that we have, there is a line item that definitely distinguishes WBE, the WBE or DBE.

**President Robinson:** Okay, KC your next...

**Councilman McGinn:** Could we have Bob identify himself and his title so that we can tell in the minutes?

**President Robinson:** Okay.

**Bob Allen:** Bob Allen, Vice-President of Operations for HCW.

**President Robinson:** Thank you.

**KC Jain:** The only RFP I received...I was not the only one, I'm sure they sent it to several people, and it did not mention anything about the RFP. I assume the RFP has been sent to everybody; I hope the same RFP has been sent to everybody, not something different to me and different to other people. Anyway, I think I made my point. Evidently it didn't go through very properly the way it should have gone. That's what...that's my concern.

Okay I'm not saying I should be selected. I'm a local, I worked for the Ford Center, for 30 years I've done a good job. If we do not get the jobs here locally, I don't know where we'll get the jobs. We won't get the jobs in St. Louis or Louisville or somewhere else, Indianapolis. I am certified by Indiana, I'm a DBE, MBE as well as certified by IMSDC in August.

**President Robinson:** Okay. Well to make sure that we don't have a problem I guess we have...we do have Talmadge Vick and then I'd like to work closely with Bob on this issue to make sure that we do have participation.

Thank you KC.

**KC Jain:** Okay, thank you.

**President Robinson:** And if you have any other problems, please bring it to our attention. Casey Sellers please.

**Casey Sellers:** I'm no relation to KC Jain, I'm Casey Sellers. My name is Casey Sellers, 1418 Parrott Street, Evansville, Indiana, a Vanderburgh County resident.

Some of the issues that KC Jain brought up also I want to kind of clarify. When those RFPs come through and it specifies that minorities participation or you're talking to a minority vendor, sometimes those points don't get counted or...I sit on a M&WBE Board so sometimes we miss that and it's just a clean null and void. So you may be in a position to give minority participation goals and money right here in numbers, but you know, it's just improperly sent out or filled out.

Typically what I've seen on the M & WBE Board is those contractors, general contractors usually come in and they'll bring those minority vendors to the table. Small community, most minority vendors are here and represented; there are a few that aren't. But its...once you get a hold of that minority community here locally with us, as well as with the M&WBE Board, we can get those out to you, we have a full list of them and responses. So I don't...I definitely don't want to have the economic development be missed, especially in my district where I live because we have quite a few employees that sit in those districts; a lot of taxpaying and a lot of tax incentives go through that community that I represent and I hate to miss that.

**President Robinson:** Okay, thank you Casey.

Yes Rick, come to the podium please.



**Rick Huffman:** I want to address that because I want to make sure that everybody knows. We do not have a development agreement yet and so the contractor has not been selected but I can tell you the contractor has met with WBE and MBE and is hiring a local MBE consultant to make sure that everything is followed properly because we are required and we were happy with it to do 23% participation across the board on everything, so no questions asked, that will be done and there is a consultant. What we did was we were looking for a topographical survey and a few things early on that the architects sent out. They are a *(Inaudible)* to everybody in the area, whether they are MBE or not MBE. We figured everybody ought to have the opportunity to bid in a free society, right. And then we interviewed and said, "Are you MBE or WBE because if you are qualified and you're MBE, we would like to use you". And that's how it happened. I apologize for it not being in the RFP but this is just on the geotech portion of it and some of the early things. They'll be more packages coming out and our consultant will be involved I'm sure as soon as we have a signed development agreement.

**President Robinson:** Okay, thank you Rick.

For the last that I have...I almost forgot, Randy Jones.

Okay, I'm sorry...Christy. Okay, I have one more after that.

**Randy Jones:** Randy Jones and I am 100% in favor of this motel. I know it's going to surprise you guys but I really am in favor of it. I think it's a good thing. What I have a problem...and I called several of the Building Authorities; I've called everybody to find out what a PowerPoint, what I needed, and now I know with PowerPoint I could have brought it up and showed it.

I pretended I was an out of town person this weekend when there was a Country/Western show going on and what I found out is I would have to park at the....you know, as you all know, this parking thing is a thing with me anyway but I even bought [evansvilleparking.com](http://evansvilleparking.com) so that tells you how serious I am on this. Anyway, I would have had to park back at the Community Center. I went to the Ford parking lot; completely full, no parking there at all, and so I thought well that's kind of bad. So I walked to Evansville and I thought, you know, I'm a tourist, I'm just...

**President Robinson:** All right now let me ask you. You were saying you would have had to park at the Community Center parking lot to go to the Ford Center.

**Randy Jones:** All the way back to the very back. You can see pictures. I wish...

**President Robinson:** That's not too far.

**Randy Jones:** If it's pouring down rain it's almost as far as the downtown Evansville to *(Inaudible)*. To me anyway it would be very bad if I was coming to a convention. I would be soaking wet. Yeah that's...you're talking from the Ford Center all the way back to...

**President Robinson:** To the Community Center.

**Randy Jones:** To almost to Heidelberg. Yeah, that's how far back we're talking. Not the Community Center we are talking about all the way back to the Newsome Center.

**President Robinson:** C. K. Newsome...yeah, that's not that far.

**Randy Jones:** That's a long ways.

**President Robinson:** Three blocks. Okay.

**Randy Jones:** Three blocks?

**President Robinson:** Yeah.

*(Inaudible)*

**Randy Jones:** 1200 feet you say?

**Councilman Adams:** Was this five minutes before it started?

**Randy Jones:** 1200 feet. Then I walked around Evansville and I went to the Ford and I saw where all the trucks, semi-trucks, have to park and block Sixth Street and Locust. You have the pictures there. That whole street had to be shut down for the semi-trucks. So I'm thinking we are going to build a motel and they are going to have to block those roads every time there is a big Country/Western or anybody comes in. That's not even talking about Lowes Victory or even talking about if we have a convention in town. We are going to have to block those roads off. When the circus comes in, they block Martin Luther King Boulevard completely. I'm sure that motel's going to love that. And I just wonder, I have questions about that. Are convention people and out-of-town people really going to come back after they...there is no parking?

Then I came down to town today and I was told that, you know, we need a new...we have a Centre, this is my second gripe. We have a Centre here. We have a 250-seat auditorium, 38 sq. feet exhibit hall, and a 14,000 sq. feet elegant ballroom space. I don't understand why we need that. Why do we need another ballroom; we've got one. We've got a perfectly good convention center; I've been in it several times...business expos...I've been in there for several conventions. I don't believe we need another one.

The Executive Inn, I can remember when the Executive Inn was a wonderful motel. It wasn't a stinky, rotten motel...I don't know, what everybody said it was. It was a downtown motel but the business kept dying and it kept getting worse. So are we guaranteed the new motel is going stay up to the standards that it is built the first time or is it going to go downhill as the business goes down.

**President Robinson:** I think if it's a DoubleTree, DoubleTree will make sure that it stays up to the standard or they'll lose the...

**Randy Jones:** I've been in DoubleTrees that aren't really that great. I'll be honest with you. I'm sorry but I have. If you go on the internet and you look at some DoubleTrees, they look like a Holiday Inn or anything. I'm not cutting down the brand, don't get me wrong guys, but I've been to ones that look basically like a Holiday Inn or a Marriot or any of the other ones so I've been to those motels.

I just don't understand why we are not looking at the parking part of this problem. We have a parking problem. So today I went down, okay, we need retail. As you can see and I wish I had PowerPoint, we've got all kinds of empty space downtown Evansville. Now we've got a 13,000 sq. foot...

**President Robinson:** We're going to build...the hotel is going to have a parking garage.

**Randy Jones:** It's going to have a 300 parking garage for 70 apartments and 300, I mean 253 so we're not adding any parking spots at all. At least the way I understand it that's the way it's going to be built.

**Councilman O'Daniel:** Yeah well look at it this way, if they go to a Jason Aldean concert sold out, they could rent the room and park there.

**Randy Jones:** This is true, this is true, they could. That's a good analysis. Or they could go to Aztar and get a room there, go walk right in and not get wet and go to their convention center which is built the right way to me and I'm not a fan of Casino Aztar and you guys know that. I mean I like it, I go there but they've got food. So I mean but I'm not a big fan.

**President Robinson:** You must have gone to...

**Randy Jones:** I go to Casino Aztar, I'll admit that, but anyway, we have all this retail space downtown right now that's empty but we're going to build more retail space and it's going to be high-end. Then we are going to build these end, what you guys call high-end, I call for wealthy people, apartments that only wealthy people can afford. Because they are going to be...out priced to me, I can't afford them. I'm just a working person. And with that, I'm thinking why do we...if we are going to end up building this wonderful, great apartment, why not build half of them for the wealthy people and half of them for regular people like me, so I can afford to live downtown too.

**President Robinson:** How much would you be able to pay a month.

**Randy Jones:** I don't know. I own my house right now but I only paid \$36,000...

**President Robinson:** So you're not even...

**Randy Jones:** I only paid \$36,000 for it when I bought it so you know, I can't afford \$115,000 no, and I'm not a poor person. I own a business and I'm not what you call a poor person but I can't imagine, I mean, what is the occupancy right now downtown of all the high-end apartments downtown?

**President Robinson:** Okay. You have some valid points to some people tonight.

**Randy Jones:** I made some valid points.

**President Robinson:** Yeah, and I appreciate you coming and I look forward to you coming again next Monday.

**Randy Jones:** You're not supposed to laugh at your constituents.

**President Robinson:** No I'm not.

**Randy Jones:** (*Inaudible*) laugh at people but maybe I'll be a voter someday.

**President Robinson:** (*Inaudible*) No it's not, just let me tell you about Wednesday.

**Randy Jones:** (*Inaudible*) with a bunch of us coming back.

**President Robinson:** Okay next Chrisy Gillen...I'm not sure how to...okay.

**Christy Gillenwater:** Good evening. Yes, it's Christy Gillenwater.

**President Robinson:** Okay.

**Christy Gillenwater:** And Council President Robinson, Councilmembers, thank you for this opportunity to be with you tonight and thank you for your thoughtful consideration of what we believe is a very important project for the downtown.

I have the pleasure of serving as the President and CEO of the Chamber of Commerce of Southwest Indiana, I am a new resident to this area, a new resident to the County and I'm a very proud resident to be here.

I'm excited about this project personally and what I think it can bring to this region, but on behalf of the Chamber here tonight, I want to express our support for a public/private partnership, for this mixed-use development.

Most of us would agree that a vibrant, thriving downtown is a true regional asset. With its rich history and position to embrace plentiful opportunities, downtown Evansville continues to be a source of community pride for the entire Southwest Indiana region. Community support for this investment in one of our most valuable assets is critical to insuring that our region's future is as prosperous as its past. We have a bevy of other community projects happening right now in the downtown; exciting projects that, of course, you all are very aware of and involved in...the Evansville Museum expansion, the IU School of Medicine, another outstanding project, a transformational opportunity for our region, Haynie's Corner, just to name a few.

It's these types of projects that continue to strengthen Evansville's ability to attract visitors and conventions as well as leisure travelers, students as well as a talented workforce, all of whom call Southwest Indiana home. And the importance of the dynamic quality of a place must not be overlooked. As a community, we must come together to insure that Southwest Indiana remains one of the best places to live, to work, to learn and to grow a business. A vibrant downtown is one key element needed to achieve this result. Projects that encourage additional investment and attract more people to our community must be supported, and of course, we love the opportunity to build not only part-time, or I should say transformational jobs here long-term, but also the jobs that will be created during construction season.

We are confident that the momentum spurred by the proposed mixed-use development project will provide other entrepreneurs in this area with the needed encouragement to continue the momentum to invest in our downtown so we continue to thrive in the region.

Thank you so much for your time, I really appreciate...

**Councilman O'Daniel:** If I can ask you a question...as President of the Chamber of Commerce, obviously there is only so much money to go around, if you were forced with the decision of a downtown medical school, and getting that and provide the capital necessary to get that up and running, even if it's two years away, or a downtown hotel, which one would you pick?

**Christy Gillenwater:** Well we like to think Councilman that we have ripe opportunity for both.

**Councilman O'Daniel:** We could.

**Christy Gillenwater:** I mean the IU...

**Councilman O'Daniel:** My question is, you've got to pick one, which one do you pick?

**Christy Gillenwater:** The IU Medical Center would be transformative for our downtown. Absolutely.

**Councilman O'Daniel:** And that would create jobs downtown, people downtown, which then spins out to retail and everything else, right?

**Christy Gillenwater:** It absolutely does, but however, we also believe that this opportunity provides a chance to tell our story as a region to those outside of our region in a different way than we have in the past and what an awesome opportunity that is for us. So I think from our vantage point, we would hope you'd find the opportunity to support both of these projects.

**Councilman O'Daniel:** I would love to do both but if there is not enough money for both, how do you do it?

**Christy Gillenwater:** Candidly, we haven't wrestled with that yet so speaking on behalf of the organization, I don't feel comfortable to do that, but again, I would hope we could find a way financially to do both and we believe we can.

**President Robinson:** She just started her job.

*(Laughter)*

**President Robinson:** She says she loves this City; you'll have her ready leave. Maurice Coats. By the way, Christy, I think you did an excellent job.

**Maurice Coats:** Madam Chairman, ladies and gentlemen of the City Council, my name is Maurice Coats. I'm a small minority owned business here in Evansville, Indiana. Growth in Evansville is important. I would hope you would consider building these projects; I think both are viable, would bring a better way of life for the City of Evansville and its members.

I like to brag when I go around working around the State and all over the country, that Evansville is a very unique city. We have a crime problem that is kind of a...we have a little bit of crime. I can't say that I wouldn't walk down any street in this town and feel unsafe. That's a wonderful aspect to deliver to people as you go around the country.

I'm a certified minority business with the State of Indiana and the City of Evansville and probably 11 other states. I travel a lot because of the work, trying to find work to provide for my family and for people that could come to work for me. This project that we've briefly talked about, the hotel, they called out that they have a minority program. My question would be, and it would probably be...I guess it would be for Rick, is do you have a proven MBE, WBE program in place that you can speak upon to us tonight?

**Rick Huffman:** We do not at this time as are waiting for the development agreement but it is required, it is planned and we have visited with the consultant to implement that plan for this project.

**Maurice Coats:** Can you, while you're here, if you could expand, in the past have you had experience with doing this type of thing? Can you tell us some projects you have included the MBE/WBE participation.

**Rick Huffman:** We have. We have one right now actually in progress. It's a Section 42, if people are familiar with those types of programs, which is federal tax credit for affordable housing and Section 8. We have built about 55 projects that we've dealt with over the last 30 years that we've included WBE and MBE. Now there wasn't a WBE back when we started but we are very familiar with it, doing them as we speak.

**Maurice Coats:** All right. Well I would ask that the City of Evansville, the City Council, if you go forward with this project, that you insure that the 23% goal will be met. There are, as I've heard numerous times around the country at other venues such as this, where there was a call for a goal to try to make sure there was inclusion of minorities and women in the projects. I must say that there are cities that have basically stated that that is the goal and they will be met regardless of who comes in to do the work, that the city makes sure that so much work is guaranteed to taxpaying minority and women persons.

**President Robinson:** Maurice, I think they have stated that their goal is 23% and that is higher than what the ordinance states.

**Maurice Coats:** I understand that but the thing of it is it seems like what I've seen in my many travels...as I said, I've dealt with 14 different states as a minority business, and I see the goals being presented but rarely do I see them come to fruition. I can say that on the Ford Center with Hunt Construction, which is a company that I've worked with on numerous occasions, when they set a goal, they exceed it always. I would like the City of Evansville to have their own goals to set forth to anyone who comes into this town who wants to do business to make sure there is inclusion for MBEs and WBEs, and that's basically what I wanted to say.

I hope that you all will go forward with these projects. They are both needed. I do understand the problem with the parking, as was mentioned by the other young man. But still the hospital, or IU project, would be very viable too because it would bring jobs, it will bring more opportunities, and I'll go a little bit further with the possibility of baby boomers. The way we are hitting the system, medical...anything that's involved with medical care is going to be something that's going to continue to grow over the next few years so I hope you all take that into consideration.

And Mister...Rick, I hope you do complete what you have set forth. There will be others watching and we'll bring that to your attention.

I thank you for your time and it's late. I want to go home. Ya'll have a good evening.

*(Applause)*

**President Robinson:** At this time, I'd like to ask the Mayor to come up and make some closing remarks.

**Mayor Winnecke:** First and foremost, thank you for your time tonight. As I mentioned at the very beginning the idea was to bring as much information as we have on both of these projects to you at this time and we've given you everything that we know. As has been made abundantly clear, there are a lot of moving targets and as we get closer to nailing down the development agreement by the end of June, we'll be able to get back to you with specific answers to many of the financial questions that were raised tonight.

Thank you for your time and patience. One last quick item...on the Owensboro hotel project, they did raise an insurance tax that generated about 80 million dollars in order to provide some of the local subsidies, so there was a price to pay there. You know, in terms of...to Councilman O'Daniel's question, you know, which...you know, I think that we can do both, I think Evansville's time is now and I believe with all my heart the stickers that say, "We do build both".

I appreciate your indulgence and your due diligence on this project and I appreciate your attention. Thank you.

*(Applause)*

**President Robinson:** Mayor, I'd like to thank you for coming before us with this and having this public hearing but then I also would like to ask you to keep our finance Chairman, John Friend...I guess Bob, if you could keep him informed of what's going on with this project as far as the financing, I'd appreciate that greatly because then he would keep each Councilmember... keep in contact with each Councilmember.

**Mayor Winnecke:** We are happy to do that.

**MISCELLANEOUS BUSINESS**

There will be a special meeting of the Common Council on Wednesday. We just love it down here. We're going to come back Wednesday, May 1 and discuss the Johnson Control contract. This meeting will be from 5:00 p.m. to 7:00 p.m. There will not be a meeting of the City Council next Monday, May 6, 2013. The next meeting of the Common Council will be Monday, May 13 at 5:30 p.m. Committee meetings will begin at 5:20 on May 13<sup>th</sup>.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

Re: Ordinance F-2013-4

Date: May 13, 2013

Time: 5:20 p.m.

Notify: Russell G. Lloyd, Controller

**CHAIRMAN JOHN FRIEND**

Appropriation, transfer, repeal and  
and additional appropriation of funds.

**PUBLIC WORKS COMMITTEE:**

Re: Ordinance G-2013-6

Date: May 20, 2013

Time: 5:20 p.m.

Notify: Steven Krohn

**CHAIRMAN O'DANIEL**

Approving an ordinance to vacate a public  
way or place (a portion of the northern most  
lane of Division St. between Oakley and Mary St.  
Berry Plastics)

**A.S.D. COMMITTEE:**

Nothing scheduled at this time.

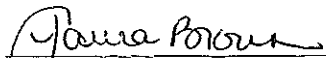
**CHAIRWOMAN RILEY**


**ADJOURNMENT**

**President Robinson:** Thank you. Can I have a motion for adjournment?

Councilwoman Mosby moved and Councilwoman Brinkerhoff-Riley seconded the motion to adjourn. Voice Vote. So Ordered.

Meeting adjourned at 7:51 p.m.

  
\_\_\_\_\_  
Laura Brown, City Clerk

  
\_\_\_\_\_  
Constance Robinson, President